

**75TH OREGON LEGISLATIVE ASSEMBLY  
STAFF MEASURE SUMMARY  
SENATE FINANCE AND REVENUE COMMITTEE**

**MEASURE: HB 2014 A  
CARRIER: Sen. Telfer**

**REVENUE: Revenue Impact Issued**

**FISCAL: Fiscal Impact Issued**

---

**Action:** Do Pass

**Vote:** 4-0-1

**Yeas:** Morse, Rosenbaum, Telfer, Burdick

**Nays:** 0

**Exc.:** Hass

**Prepared By:** Steve Meyer, Economist

**Meeting Dates:** 5/18

---

**WHAT THE BILL DOES:** Requires collection of school district construction taxes by a government entity including a state agency or official that issues a permit for structural improvements. Exempts construction of nonprofit long term and residential care facilities and nonprofit continuing care retirement communities. Increases maximum administrative collection fee allowed from one percent to 4 percent of tax revenue. Allows the Department of Consumer and Business Services to establish an administrative fee of 0.25% of tax revenue only for the 2009-11 biennium within the 4%. Clarifies collection to be at time permit is issued to increase square footage. Applies to construction taxes on or after the effective date. Takes effect on the 91<sup>st</sup> day after adjournment sine die.

**ISSUES DISCUSSED:**

Requiring local governments to collect the tax

Administrative fee limit for cost of collection

Modifying and improving the 2007 construction tax legislation

**EFFECT OF COMMITTEE AMENDMENTS:**

None.

**BACKGROUND:**

The 2007 Legislature authorized school district to impose a tax on new construction measured by square footage of improvements. The maximum rate is \$1 per square foot for residential use and \$0.50 for nonresidential use with a nonresidential limit of \$25,000. Rates are indexed beginning in 2010. Construction exempted includes affordable housing, public buildings, agricultural buildings, private schools, hospitals and religious facilities. The administrative fee to be retained for collection is limited to 1% of tax revenue.

It was unknown during committee discussions that a state agency or official issued building permits. Also some collecting entities, besides retaining 1% of tax revenue for collection expense, may also be billing school districts for additional collection costs.

---

State Capitol Building  
900 Court St NE, Room 143  
Salem, OR 97301-1347

Phone: 503-986-1266  
Fax: 503-986-1770  
<http://www.leg.state.or.us>